

2022 Capital Budget Amendment – Hydrogen Bus Shelter**Report Purpose**

To amend the 2022 Capital Budget for a change in the scope of work for the hydrogen bus shelter and to accept funding from the Alberta Zero Emission Hydrogen Transit project of \$275,000 to assist with construction costs.

Recommendation

That an amendment to the 2022 Capital Budget to increase the Hydrogen Bus Shelter project in the amount of \$145,000 (from \$180,000 to \$325,000), and to change funding by reducing Municipal Reserves by \$130,000 (from \$180,000 to \$50,000) and adding \$275,000 Third Party (Alberta Zero Emission Hydrogen project) funding, be approved.

Our Prioritized Strategic Goals

Goal 2 - Healthy and Safe Community

Goal 3 - Responsible Development

Goal 4 - Municipal Excellence

Report

Strathcona County is participating in the Alberta Zero Emission Hydrogen Transit (AZEHT) project that will test two hydrogen fuel cell electric buses (FCEB). As part of the project, Strathcona County purchased one of the hydrogen transit buses under the 2022 annual transit fleet replacement program (as a pilot), to determine the effectiveness of the technology in Alberta. The City of Edmonton has purchased the second bus for the project.

Storage is a challenge that has been identified with hydrogen bus technology. As the project team has been working through the options including the purchase of a fabric Quonset option, supply chain issues and construction costs have become a challenge for the project, as well as the impacts of the delays in having the shelter ready.

On July 19, 2022, Council approved \$180,000 from municipal reserves to cover the cost for a fabric Quonset shelter. When the order was being discussed, the delivery times were significantly longer than forecast. This resulted in administration looking for options. One option is to construct a temporary heated, wood-framed shelter constructed on steel piles.

We have priced this work and have a vendor ready to proceed with construction. Based on the cost of construction and the cost of the utilities, the project estimate has increased to \$325,000.

The AZEHT project has confirmed that they will reimburse the County up to \$275,000 based on actual receipts provided for the work. As this funding will come after the work has been paid for, administration is requesting Council approve a budget increase of \$145,000 in addition to the \$180,000 already approved for a total of \$325,000.

The project financial impact for the County is as outlined below.

Project Estimate	\$325,000
Less AZEHT funding	<u>\$275,000</u>
Net impact	\$ 50,000

With the confirmation of the AZEHT project funding, the County will have financial savings of \$130,000 from the original \$180,000 capital budget amendment, approved on July 19, 2022.

Year	2022	2023	2024	Total
Expenditure by Year	175,000	\$150,000	\$	\$325,000

Council and Committee History

December 2, 2021 Council approved the 2022 Capital Budget.
July 19, 2022 Council approved a capital budget amendment of \$180,000 to purchase a Quonset style shelter for the hydrogen bus, to be funded from municipal reserves.

Other Impacts

Policy: FIN-001-024: Financial Reserves; FIN-001-027: Tangible Capital Assets Financial Reporting Policy

Legislative/Legal: n/a

Financial/Budget: Saving \$130,000 of reserve dollars is a positive impact, however, still using \$50,000 of reserves may limit the ability to fund other priorities.

Interdepartmental: Transit, Fleet and Facility Management, Financial and Strategic Services

Master Plan/Framework: n/a